



## Report of the Leader and Cabinet Member for Economy & Strategy

Cabinet – 21 June 2018

### Council Tax Discretionary Relief Care Leavers (Aged 18 to 25)

<b>Purpose:</b>	To award Council Tax Discretionary Relief to care leavers aged 18 to 25 years old residing in the City and County of Swansea area as part of discharging the authority's duty as a corporate parent and supporting those care leavers.
<b>Policy Framework:</b>	The Single Integrated Plan
<b>Consultation:</b>	Access to Services, Finance, Legal, Social Services.
<b>Recommendation(s):</b>	It is recommended that Cabinet:  1) Exercises its discretionary powers to award a 100% Discretionary Council Tax Relief to the net Council Tax liability of all care leavers aged between 18 and 25 years.
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#### 1. Introduction

- 1.1 Recent reports and campaigns, including that of the Children's Society, have identified a range of disadvantages that care leavers experience and their vulnerability in respect of debt. The same issues have been identified by our own Social Services Department.
- 1.2 This report provides members with information in order that they may consider the use of discretionary powers to award reliefs from Council Tax for young people aged between 18 and 25 leaving care, as part of discharging the authority's duty as a corporate parent.

## **2. Background**

- 2.1 The Children's Society has run an informative and successful campaign highlighting the issues facing young people leaving care who have to live independently and manage their own budget for the first time. Doing so often without the support of family or previous financial education. Information about the campaign can be found online - <https://www.childrenssociety.org.uk/what-you-can-do/campaign-for-change/a-fairer-start-for-care-leavers>
- 2.2 Swansea Council agrees with the campaign's principal sentiments that the transition process for young people out of care and into adulthood is extremely difficult and that managing money for the first time without support from family leaves them at a genuine risk of falling into debt.
- 2.3 Corporate parenting is a statutory function of the Council and the underlying principle is that a local authority will seek the same outcomes for the young people in its care that every good parent would want for their own children.
- 2.4 The Council accepts and values its role as a responsible corporate parent and wishes to further support those young people once they have left care to help them live independently as adults. One action that could be taken is to use the discretionary powers to provide relief from Council Tax for care leavers. The proposed scheme would reduce to zero the amount of any Council Tax that a care leaver has to pay so that the Council Tax due to this authority (and all precepting authorities) will not become a problem debt for them.
- 2.5 Under Section 13A of the Local Government Finance Act 1992 (as inserted by Section 76 of the Local Government Act 2003), the Council has a discretionary power to reduce liability for Council Tax by determining a class of case in which liability is to be reduced. This provision may therefore be used to apply a policy for exempting the Council Tax liability of Care Leavers (and in certain circumstances, anyone with whom they share a joint and several liability for Council Tax).

## **3. Principles of the Proposed Council Tax Care Leavers Relief Scheme**

- 3.1 This relief must be awarded by the Council in accordance with the discretionary power to reduce Council Tax liability contained in Section 13A of the Local Government Finance Act 1992 (as amended).
- 3.2 The principles of the proposed Council Tax Care Leavers Relief Scheme are as follows:
  - i. The relief would be awarded against any Council Tax liability arising from 1st April 2018 and the Council would have discretion to backdate future

awards to whatever date is appropriate and to 1st April 2018 as an absolute maximum.

- ii. The Council Tax liability is in respect of a care leaver who is between the ages of 18 and 25 years old. The last day for which this relief can be granted will therefore be the day before the care leaver's 25<sup>th</sup> birthday.
  - iii. An application for the relief is made by, or on behalf of, the care leaver. However, if satisfactory and sufficient confirmation of the circumstances of the care leaver can be provided by the authority's Social Services Department (or that of another local authority), the relief can be awarded without such an application being made.
  - iv. Swansea will grant this relief to any care leaver residing within its boundaries and satisfying the various criteria, not just those care leavers for whom it held a corporate parenting responsibility at the point the young person left care. Therefore, young people who were in care in other local authority areas, in any part of the UK, who move to Swansea after leaving care, will also be eligible for this relief.
  - v. The care leaver resides and is liable to pay Council Tax within the City and County of Swansea.
  - vi. The care leaver is not fully exempt from Council Tax for any other reason.
  - vii. The level of discount applied will be 100% of any residual Council Tax Liability after taking account of any other discounts / exemptions and Council Tax Reduction to which the care leaver is entitled. Completion of an application for Council Tax Reduction and the provision of all necessary supporting information needed to allow the application to be determined is therefore required before this relief can be awarded.
  - viii. Where the care leaver has a joint and several liability for Council Tax, in law every one of the persons who are jointly and severally liable are all equally responsible for the entire amount due, not just a 'share'. In such cases the relief will be applied to the household's net liability and although this means that a non-care leaver may also benefit, it ensures that the care leaver has no liability or potential for debt.
  - ix. A change of address within the Swansea area will not require a new application to be made for this relief. The relief will be transferred to the new address occupied by the care leaver.
  - x. Where a Swansea care leaver moves out of the Council's area, the relief can be re-awarded (subject to the normal requirements) should they return to the area before their 25<sup>th</sup> birthday.
  - xi. The Head of Financial Services and the Service Centre will have the authority to approve applications for this relief and may delegate this authority as is considered appropriate in line with the administration of Council Tax discounts and exemptions.
- 3.3 The scheme will be administered by the Council's Financial Services Department who will work with colleagues in Social Services to make it as easy as possible for care leavers to access this relief. For example, Social Services will be able to provide Finance with the details of care leavers (name, address, date they left care etc.) so that the relief can be awarded without an additional application form needing to be completed where the other requirements have already been satisfied. This will also provide Finance with a point of contact within Social Services and ensure good

liaison should any issues arise with the relief, and vice versa. For eligible care leavers living in Swansea who had left another authority's care we will always aim to make the application process as simple as possible. For example, we will accept information about their circumstances from Social Services/Finance staff in the other authority. In all cases though, responsibility for providing any necessary evidence in support of an application for this relief, will rest with the applicant.

#### **4. Equality and Engagement Implications**

- 4.1 There will be a positive impact for young people and care leavers if this relief is implemented. An Equality Impact Assessment (EIA) screening form has been completed with the agreed outcome that a full EIA report is not required. The screening form is attached as a background paper.

#### **5. Financial Implications**

- 5.1 The full cost of awarding this relief will be met by the authority.
- 5.2 Social Services have provided details of the care leavers they are aware of aged between 18 and 25 years old.
- 5.3 Of the 291 care leavers listed, 84 are currently liable to pay Council Tax but only 28 actually have an amount to pay. The remainder are either in receipt of full Council Tax Reduction, are otherwise exempt or are living in accommodation where they are not personally responsible for the Council Tax bill on the property.
- 5.4 The total net liability for the 28 people for 2018/19 is £18,713.84 which would therefore be the estimated cost of implementing this relief.
- 5.5 It is worth noting that to ensure the ongoing cost of this relief to the authority remains at this low level in future years, the departments working with care leavers must ensure that those care leavers continue to take up any entitlement they have to Council Tax Reduction and/or any discounts/exemptions.

#### **6. Legal Implications**

- 6.1 Under Section 13A (1)(c) Local Government Finance Act 1992 (as inserted by s 76 Local Government Act 2003) the Council has the power to reduce liability for Council Tax in relation to an individual case or classes of case that it may determine.

**Background Papers:** EIA screening form.

**Appendices:** None.